

Message Text

PAGE 01 TOKYO 15676 01 OF 05 040849Z

12

ACTION EA-14

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03 SS-20

USIA-15 ACDA-19 IO-14 AID-20 COME-00 EB-11 FRB-02

TRSE-00 XMB-07 OPIC-12 CIEP-02 LAB-06 SIL-01 OMB-01

CEA-02 STR-08 SAJ-01 INT-08 SCI-06 AGR-20 DRC-01

EUR-25 NIC-01 NEA-10 /269 W
----- 022166

R 040726Z DEC 73

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 8533

C O N F I D E N T I A L SECTION 1 OF 5 TOKYO 15676

E.O. 11652: GDS

TAGS: PFOR, JA

SUBJ: US-GOJ PLANNING TALKS

REF: TOKYO 15640

1. FOLLOWING ARE TEXTS OF THREE PAPERS PREPARED BY GAIMISHO'S PLANNING STAFF FOR USE AT PLANNING TALKS IN WASHINGTON. GAIMISHO CAUTIONS THAT PAPERS HAVE NOT BEEN CLEARED WITHIN THE MINISTRY AND REPRESENT ONLY THE PERSONAL VIEW OF THE DRAFTER.

2. PAPER ONE - RELATIONS BETWEEN JAPAN AND BETWEEN WESTERN EUROPE

QUOTE

(1) THE U.S., WESTERN EUROPE AND JAPAN AS ADVANCED INDUSTRIAL DEMOCRACIES SHARE COMMON IDEALS AND PROBLEMS. (ALL SEEK TO CREATE AND PROTECT FREE AND PROSPEROUS SOCIETIES; CONFIDENTIAL

PAGE 02 TOKYO 15676 01 OF 05 040849Z

ISSUES WHICH ALL MUST RESOLVE INCLUDE THE RESOURCES AND ENERGY PROBLEMS, THE ENVIRONMENTAL QUESTIONS, THE PROBLEM OF DISCOVERING ULTIMATE VALUES IN LIFE, AND THE PROBLEMS OF THE AGED AND THE YOUTH, ETC.) MANY OF THESE AIMS

CANNOT BE ACHIEVED, NOR THE PROBLEMS SOLVED, THROUGH THE SINGLE-HANDED EFFORTS OF INDIVIDUAL COUNTRIES. THE US, WESTERN EUROPE AND JAPAN COMBINED ACCOUNT FOR APPROXIMATELY 70 PERCENT OF THE WORLD'S GNP.

(2) THUS, THESE THREE PARTIES MUST COOPERATE AMONG THEM IN ASSUMING THE MAJOR RESPONSIBILITY FOR SOLVING THESE AND OTHER SIGNIFICANT ISSUES THAT WILL AFFECT THE FUTURE OF THE WORLD (INCLUDING THE PROBLEMS OF DEVELOPING COUNTRIES AND THE EAST-WEST RELATIONS).

2. THE PRESENT STATE OF THE RELATIONS BETWEEN JAPAN AND THE EC

(1) NEGOTIATIONS FOR CONCLUSION OF THE TRADE AGREEMENT BETWEEN JAPAN AND THE EC STARTED IN SEPTEMBER 1970. HOWEVER, THE VIEWS HAVE BEEN DIVIDED OVER THE SO-CALLED SAFEGUARD CLAUSE. MEANWHILE, THE RAPID GROWTH OF JAPANESE EXPORT TO THE EC AND THE INCREASED TRADE IMBALANCE (1.34 BILLION IN US DOLLAR IN FAVOR OF JAPAN IN 1972) CAUSED A FEELING OF UNEASINESS OF THE PART OF THE EC, AND HAVE BECOME MORE IMMINENT SUBJECT OF TALKS BETWEEN THEM.

(2) ON THE OCCASION OF THE VISIT OF FOREIGN MINISTER OHIRA TO THE EC COMMISSION IN MAY 1973, IT WAS AGREED THAT THE NEGOTIATIONS FOR CONCLUSION OF JAPAN-EC TRADE AGREEMENT WOULD BE SUBSUMED INTO THE FORTHCOMING MULTILATERAL TRADE NEGOTIATIONS IN GATT, IN WHICH MAXIMUM EFFORTS WOULD BE MADE FOR THE LIBERALIZATION OF TRADE AND THE SOLUTION OF THE PROBLEM OF THE SAFEGUARD CLAUSE.

(3) IN THE COURSE OF PRIME MINISTER TANAKA'S VISITS TO FRANCE, UK AND WEST GERMANY LAST FALL, THE DESIRABILITY OF EXPANDING CONTACTS BETWEEN THESE COUNTRIES OR THE EC AND JAPAN WAS AGREED, THE NEED OF COOPERATION BETWEEN JAPAN AND THE EC IN SUCH MULTILATERAL FIELD AS THE GATT NEW ROUND
CONFIDENTIAL

PAGE 03 TOKYO 15676 01 OF 05 040849Z

NEGOTIATIONS AND MONETARY REFORMS AND POSSIBILITY OF COOPERATION IN INTERFLOW OF CAPITAL, ENERGY, CULTURE, SCIENCE AND TECHNOLOGY AS WELL AS DEVELOPMENT OF RESOURCES IN THIRD COUNTRIES WERE DISCUSSED.

3. THE SIGNIFICANCE OF WESTERN EUROPE AND THE U.S. FOR JAPAN

(1) RELATIONS WITH THE U.S. ARE OF VITAL IMPORTANCE TO JAPAN. FROM THE STANDPOINT OF SECURITY, JAPAN HEAVILY RELIES ON THE DETERRENCE OF AMERICAN MILITARY POWERS INCLUDING NUCLEAR CAPABILITIES, AND MUST CONTINUE TO DO SO FOR THE FORESEEABLE FUTURE. IN THE ECONOMIC SPHERE TRADE WITH THE U.S. REPRESENTS MORE THAN 25 PERCENT OF JAPAN'S

OVERALL TRADE (TRADE WITH THE EC REPRESENTS ABOUT 10 PERCENT). THESE FACTORS, TOGETHER WITH THE SIZEABLE EXCHANGES OF CAPITAL AND TECHNOLOGY, ACCOUNT FOR THE VITAL ROLE PLAYED BY THE U.S. IN THE LIFE OF THE JAPANESE PEOPLE.

(2) IMPROVED TIES WITH WESTERN EUROPE HOLD OUT PROMISE OF AN EXPANDED BASIS FOR JAPAN'S STABILITY AND PROSPERITY. WITH ITS OWN SCANTY NATURAL RESOURCES AND EXPANDED ECONOMIC ACTIVITIES ON A GLOBAL BASIS, JAPAN REQUIRES AMICABLE RELATIONS WITH COUNTRIES THROUGHOUT THE WORLD. THE PHENOMENON OF MULTI-POLARIZATION IN INTERNATIONAL POLITICS ALSO NECESSITATES JAPAN TO DEPLOY ITS DIPLOMACY ON A BROADER AND FLEXIBLE BASIS. THE POLITICAL AND ECONOMIC STRENGTH OF EUROPE IS CLEARLY ONE FACTOR THAT JAPAN SHOULD TAKE INTO ACCOUNT.

CLOSER COOPERATION WITH WESTERN EUROPE WILL OPEN FOR JAPAN A NEW DIMENSION OF OPTIONS. OF COURSE, THIS DOES NOT IMPLY THAT JAPAN WILL REPLACE OR SACRIFICE ITS VITAL TIES WITH THE U.S. SOME OF THE ISSUES WHICH WOULD INVOLVE DIFFICULTIES ON A BILATERAL BASIS MAY BE MORE EASILY DEALT WITH IN A TRIPARTITE OR MULTILATERAL CONTEXT. AS THE JAPANESE ECONOMY GROWS, THERE ARE LIKELY TO BE MORE CASES IN WHICH JAPANESE ACTIONS MAY PRODUCE WORLD-WIDE IMPACTS, NECESSITATING SOLUTIONS IN A GLOBAL CONTEXT.

SUCH COOPERATIVE RELATIONS THROUGHOUT THE WORLD
CONFIDENTIAL

PAGE 04 TOKYO 15676 01 OF 05 040849Z

IS IN A WAY INEVITABLE FOR JAPAN BECAUSE OF ITS UNIQUE POSITION IN ASIA. JAPAN OFTEN FINDS IT DIFFICULT TO HAVE PARTNERS IN THE REGION WHICH SHARE COMMON PROBLEMS REQUIRING COMMON APPROACH. THUS, JAPAN INEVITABLY REGARDS WESTEHTZRHLUKFTAS A NEW PARTNER FOR THE FUTURE, IN ADDITION TO ITS OLD AND VITAL PARTNERSHIP WITH THE U.S.

4. DECLARATION OF PRINCIPLES

(1) THE JAPAN-U.S. JOINT COMMUNIQUE ISSUED ON AUGUST 1ST 1973 STATES WITH REFERENCE TO A DECLARATION OF PRINCIPLES TO GUIDE COOPERATION AMONG INDUSTRIALIZED DEMOCRACIES; (THE PRIME MINISTER EXPRESSED HIS POSITIVE INTEREST THERIN) AND (...AGREED THAT JAPAN AND THE U.S. WOULD CONSULT CLOSELY ON THE MATTER AS PREPARATIONS PROCEED TOWARD A DECLARATION ACCEPTABLE TO ALL THE COUNTRIES CONCERNED).

IN EARLY SEPTEMBER, JAPAN PRESENTED TO THE U.S. ITS OWN DRAFT AND VIEWS OF A DECLARATION.

(2) PRIME MINISTER TANAKA EXCHANGED VIEWS ON THIS MATTER WITH FRENCH, BRITISH AND GERMAN LEADERS DURING THIS VISIT

TO EUROPE.

ALTHOUGH THERE WERE DIFFERENCES IN NUANCES, THEIR
REACTIONS FOR THE MOST PART WERE POSITIVE TOWARD THE

CONFIDENTIAL

PAGE 01 TOKYO 15676 02 OF 05 041009Z

12

ACTION EA-14

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03 SS-20

USIA-15 ACDA-19 IO-14 AID-20 COME-00 EB-11 FRB-02

TRSE-00 XMB-07 OPIC-12 CIEP-02 LAB-06 SIL-01 OMB-01

CEA-02 STR-08 SAJ-01 INT-08 SCI-06 AGR-20 EUR-25

NIC-01 NEA-10 DRC-01 /269 W
----- 022763

R 040726Z DEC 73

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 8534

C O N F I D E N T I A L SECTION 2 OF 5 TOKYO 15676

IDEA OF STRENGTHENING THE TIES AMONG JAPAN, THE U.S. AND
EUROPE. THEY SEEM TO FEEL, HOWEVER, THAT THE WHOLE
EXERCISE WAS PROCEEDING IN SUCH A DIRECTION THAT IT WOULD
BE DIFFICULT TO HAVE AN ALL-EMBRACING TRILATERAL DECLARATION.
THEY HAD NO OBJECTION TO KEEPING IN CLOSE CONTACT WITH JAPAN
ON THE MATTER, AND SOME OF THEM SUGGESTED THE POSSIBILITY
OF A JAPAN-EC DECLARATION SEPARATE FROM THE U.S. - EC
DECLARATION.

(3) SINCE THEN, JAPAN HAS MAINTAINED CONTACTS WITH MAJOR EC
COUNTRIES THROUGH THE DIPLOMATIC CHANNEL, AND APPROACHES
FOR A SEPARATE DECLARATION BETWEEN JAPAN AND THE EC
HAVE BEEN MADE BY EUROPEAN COUNTRIES INCLUDING FRANCE.

ON OCTOBER 14TH, THE EMBASSY OF DENMARK, CURRENTLY
OCCUPYING THE PRESIDENCY OF THE NINE COMMUNICATED INFORMALLY
TO THE JAPANESE FOREIGN MINISTRY THE POSITION OF THE NINE,
WHICH HAD BEEN AGREED IN THE DAVIGNON COMMITTEE.

(4) JAPAN'S TENTATIVE REACTION TO THE NINE'S APPROACH IS AS
CONFIDENTIAL

PAGE 02 TOKYO 15676 02 OF 05 041009Z

FOLLOWS.

A) JAPAN STILL MAINTAINS THAT AN ALL-EMBRACING DECLARATION OF PRINCIPLES AMONG JAPAN, THE U.S. AND EUROPE IS MOST DESIRABLE.

B) IN VIEW OF THE ABOVE, JAPAN WILL CONTINUE TO FOLLOW WITH ACTIVE INTEREST THE PROGRESS OF THE DISCUSSIONS BETWEEN THE U.S. AND EUROPE. UNQUOTE.

3. PAPER TWO: JAPAN'S RELATIONS WITH THE SOVIET UNION AND CHINA.

QUOTE JAPAN'S BASIC POLICY TOWARD THE SOVIET UNION

1. SOME BASIC FACTORS -

(1) THE SOVIET UNION, BEING A GLOBAL POWER AND JAPAN'S NEIGHBOR COUNTRY WITH A DIFFERENT SOCIAL SYSTEM AND WITH AN ENORMOUS MILITARY STRENGTH NEXT ONLY TO THE U.S., HAS BEEN STRIVING FOR THE EXPANSION OF ITS INFLUENCE OVER EVERY PART OF THE WORLD. HENCE, JAPAN HAS TO TAKE CAUTIOUS ATTITUDE IN HANDLING ITS RELATIONS WITH THE SOVIET UNION. PARTICULARLY FROM THE VIEWPOINT OF NATIONAL SECURITY, JAPAN ENDEAVORS TO MAINTAIN CLOSE RELATIONSHIP WITH THE U.S. BASED ON THE SECURITY TREATY.

(2) IT IS DESIRABLE AND EVEN NECESSARY FOR JAPAN TO IMPROVE ITS RELATIONSHIP WITH THE SOVIET UNION, BECAUSE BOTH COUNTRIES ARE NOT ONLY NEIGHBORS, BUT ALSO THEY ARE MUTUALLY COMPLEMENTARY IN THE ECONOMIC FIELD. THE JAPAN-SOVIET RELATIONS HAVE BEEN DEVELOPING IN POLITICAL, ECONOMIC, CULTURAL AND VARIOUS FIELDS SINCE THE RESTORATION OF DIPLOMATIC RELATIONS IN 1956.

(3) ANOTHER "BIG POWER" WITH A DIFFERENT SOCIAL SYSTEM EXISTING IN PROXIMITY OF JAPAN IS CHINA. CONSEQUENTLY, JAPAN HAS TO PAY DUE CONSIDERATION TO ITS RELATIONS WITH CHINA, UPON DECIDING AND IMPLEMENTING ITS POLICIES TOWARD THE SOVIET UNION.

2. BASIC POLICY TOWARD THE SOVIET UNION -

IT IS A PREREQUISITE FOR JAPAN IN PURSUING ITS POLICY TOWARD THE SOVIET UNION THAT CLOSE RELATIONS WITH THE U.S. BE MAINTAINED CONFIDENTIAL

PAGE 03 TOKYO 15676 02 OF 05 041009Z

AND INTENSIFIED. UPON THIS BASIS THE FOLLOWING FEATURES ARE JAPAN'S BASIC POLICIES TOWARD THE SOVIET UNION.

(1) MAINTAINING FIRMLY ITS BASIC POSITION, JAPAN WILL CONTINUE TO CONDUCT TENACIOUS NEGOTIATIONS WITH THE SOVIET UNION ON THE NORTHERN TERRITORIAL ISSUE. ON THE OTHER HAND, JAPAN WILL PROMOTE DIVERSE RELATIONS WITH THE SOVIET UNION ON THE BASIS OF ITS OWN NATIONAL INTERESTS.

(AS A RESULT OF PRIME MINISTER TANAKA'S VISIT TO THE SOVIET UNION IT WAS CONFIRMED THAT THE NORTHERN TERRITORIAL ISSUE IS INCLUDED AMONG THE QUESTIONS WHICH SHOULD BE RESOLVED BY A PEACE TREATY BETWEEN JAPAN AND THE SOVIET UNION. THIS IS CONSIDERED TO BE THE OPENING FOR THE SOLUTION OF THIS ISSUE IN THE COURSE OF PATIENT NEGOTIATIONS IN THE FUTURE. IT IS ALSO IMPORTANT FOR JAPAN IN IMPROVING DIVERSE RELATIONS WITH THE SOVIET UNION THAT JAPAN AND THE U.S. SHOULD TAKE AS MUCH CONCERTED AND COORDINATED ACTIONS AS POSSIBLE IN THE FIELDS WHERE BOTH COUNTRIES CAN COOPERATE IN NEGOTIATING WITH THE SOVIET UNION. E.G. THE SIBERIAN DEVELOPMENTS)

(2) JAPAN WILL TRY TO ESTABLISH SUCH A RELATIONSHIP WITH THE SOVIET UNION AS WELL-BALANCED VIS-A-VIS CHINA FROM A LONG TERM VIEWPOINT.

(3) JAPAN WILL TAKE CAUTIOUS POSITION IN COPING WITH SUCH SOVIET MOVE TO EXPAND ITS INFLUENCE IN ASIA AS IS SEEN IN THE SOVIET IDEA OF ASIAN COLLECTIVE SECURITY. (NEEDLESS TO SAY, JAPAN IS NOT IN A POSITION TO TAKE UP SUCH A SOVIET IDEA BEFORE THE SETTLEMENT OF THE NORTHERN TERRITORIAL ISSUE.)

JAPAN-CHINA RELATIONS IN PROSPECT

1. DOMESTIC SITUATION IN CHINA

(1) ASSESSMENT OF THE TENTH PARTY CONGRESS

(A) ELIMINATION OF LIN BIAO'S INFLUENCE AND ENDORSEMENT OF CHOU EN-LAI'S REALISTIC, FLEXIBLE LINE

(B) PREPARATIONS FOR FUTURE SUCCESSORS IN THE LEADERSHIP
CONFIDENTIAL

PAGE 04 TOKYO 15676 02 OF 05 041009Z

(PROMOTION OF WANG HUNG-WEN; COMBINATION OF THREE AGE GROUPS OF THE OLD, THE MIDDLE-AGED AND THE YOUTH)

(2) SOME MOVEMENTS TOWARD THE OPENING OF THE PEOPLE'S CONGRESS AND CHINA'S PENDING DOMESTIC ISSUES
THE CONVENING OF THE PEOPLE'S CONGRESS HAS BEEN REPORTED TO BE IMMINENT, AND PROGRESS HAS BEEN SEEN IN THE RE-BUILDING OF THE LEAGUE OF COMMUNIST YOUTH, THE WOMEN'S UNION, THE LABOR UNION, ETC. HOWEVER, IT SEEMS THAT CHINESE LEADERS HAVE TO FIND, BEFORE CONVENING THE PEOPLE'S CONGRESS, ADEQUATE SOLUTION OF SOME PENDING DOMESTIC ISSUES SUCH AS BELOW:

(A) THE UNDERLYING PROBLEM OF HOW TO INTEGRATE OR COORDINATE THE RESULTS OF THE CULTURAL REVOLUTION WITH THE PRESENT AND FUTURE POLICIES.

(B) PERSONNEL PROBLEMS, ESP. HARMONIZATION OF THE LEFTISTS

(THE REVOLUTIONARY REBELS) AND THE ONCE-OUTED 'OLD CADRES'.

(C) RE DEFINITION OF THE POLITICAL AND SOCIAL ROLES OF THE PEOPLE'S LIBERATION ARMY AND RE-STRUCTURING OF THE PEOPLE'S MILITIA IN ITS RELATION WITH THE FORMER.

(D) ECONOMIC POLICIES, ESP. THE FOURTH FIVE-YEAR PLAN.

(3) OTHER ISSUES

(A) CRITICIZE-CONFUCIUS MOVEMENT

(B) COORDINATION OF DIPLOMATIC ISSUES (ESP. CHINA-U.S. RELATIONS) WITH DOMESTIC POLITICS (MAY BE A SOURCE OF FRICTIONS AMONG CHINESE LEADERS.)

2. PRESENT AND FUTURE OF CHINA'S FOREIGN POLICY

(1) PRESENT SITUATION

(A) CHINA FIRMLY MAINTAINS THE POSTURE OF CONFRONTATION WITH THE SOVIET UNION, WHILE CONTINUING THE NEGOTIATIONS ON THE BOUNDARIES AND OTHER ISSUES ON A GOVERNMENT BASIS.

CONFIDENTIAL

PAGE 05 TOKYO 15676 02 OF 05 041009Z

(B) IN ITS RELATIONS WITH THE WEST, CHINA'S RAPPROACHMENT WITH THE U.S. WAS GREATLY PROMOTED BY THE ESTABLISHMENT OF THE LIAISON OFFICES. CHINA HAS ALSO MADE MUCH EFFORT TO DEVELOP RELATIONS WITH THE WESTERN EUROPE.

(C) CHINA HAS BEEN SEEKING TO EXPAND ITS INFLUENCE OVER THE THIRD WORLD (ESP. ARAB COUNTRIES AND AFRICA) THROUGH ITS SUPPORT OF NON-ALIGNMENT MOVEMENT AND ITS BILATERAL ECONOMIC ASSISTANCE.

(D) ON THE OTHER HAND, CHINA IS APPARENTLY NOT IN A HURRY TO NORMALIZE RELATIONS WITH THE SOUTHEAST ASIAN COUNTRIES FOR THE FOLLOWING REASONS:

(I) THE NEED TO MAINTAIN THE PRINCIPLE OF SUPPORTING LIBERATION MOVEMENTS AND THE OPPOSITION TO THE TWO CHINA CONCEPT.

(II) CHINA APPARENTLY GIVES PRIORITY TO THE IMPROVEMENT OF RELATIONS WITH THE U.S., JAPAN AND WESTERN EUROPE, PERHAPS CONSIDERING THAT RELATIONS WITH BIGGER POWERS WOULD FIX A GENERAL FRAMEWORK OF RELATIONS WITH THE SOUTHEAST ASIAN COUNTRIES.

(2) FUTURE PROSPECT

(A) CHINA WOULD CONTINUE ITS PRESENT POLICY TOWARD THE SOVIET UNION,

CONFIDENTIAL

PAGE 01 TOKYO 15676 03 OF 05 040837Z

12

ACTION EA-14

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03 SS-20

USIA-15 ACDA-19 IO-14 AID-20 COME-00 EB-11 FRB-02

TRSE-00 XMB-07 OPIC-12 CIEP-02 LAB-06 SIL-01 OMB-01

CEA-02 STR-08 SAJ-01 INT-08 SCI-06 AGR-20 DRC-01

EUR-25 NIC-01 NEA-10 /269 W
----- 022106

R 040726Z DEC 73

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 8535

C O N F I D E N T I A L SECTION 3 OF 5 TOKYO 15676

WHILE MAKING GREAT EFFORTS FOR STRENGTHENING ITS MILITARY POWER. BUT IT WOULD ACT WITH CAUTION NOT TO GIVE AN EXCUSE FOR THE SOVIET UNION TO ATTACK CHINA (E.G. UNILATERAL BREAK-UP OF THE BORDER NEGOTIATIONS). HENCE, CHINA WOULD ENDEAVOR TO PROMOTE ITS RELATIONS WITH THE US, YET BEING CONDITIONED BY DOMESTIC CONSIDERATIONS.

(B) CHINA WULD CONTINUE TO INTENSIFY ITS POLITICAL AND ECONOMIC RELATIONS WITH THE WESTERN EURIOEPAN COUNTIRES WITH A VIEW TO COUNTER-BALANCING THE MILITARY PRESSURE OF THE SOVIET UNION AND, TO SOME EXTENT, THEECONOMIC PRESSURE OF JAPAN.

(C) CHINA'S PRESENT POLICY TOWARD "THIRD WORLD" WOULD NOT UNDERGO A MAJOR CHANGE. THEIR SUPPORT FOR LIBERATION MOVEMENTS MAY BECOME MORE SELECTIVE, DEPENDING UPON THE RELATIVE EVALUATION OF IMPROVING RELATIONS ON A GOVT-TO-GOVT BASIS. IT MAY TRY TO INCREASE ITS INFLUENCE OVER THE MIDDLE EAST.

(C) WITH APPREHENSION ABOUT POSSIBLE RAPPROCHEMENT BETWEEN THE SOVIET UNION AND THE REPUBLIC OF KOREA, CHINA WULD INTENSIFY ITS RELATIONS WITH NORTH KOREA.

(E) CHINA WOULD NOT DESIRE NORTH VIETNAM'S HEGEMONY OVER INDO-CHINA, AND, IF NECESSARY FOR COUNTER-BALANCING, CHINA MIGHT
CONFIDENTIAL

PAGE 02 TOKYO 15676 03 OF 05 040837Z

TRY TO INTENSIFY ITS INFLUENCE OVER THE LIBERATION MOVEMENTS IN THE AREA OR IT MIGHT APPROACH THAILAND AND MALAYSIA. GENERALLY, IN THE COURSE OF ITS RAPPROCHEMENT WITH THE US, CHINA WOULD FOLLOW FLEXIBLE POLICY LINES TOWARD SOUTHEAST

ASIA AND TEND TO GIVE PRIORITY TO THE IMPROVEMENT OF RELATIONS WITH THE GOVTS RATHER THAN TO THE LIBERATION MOVEMENTS IN THE AREA.

(F) THE LIBERATION OF TAIWAN WILL REMAIN AS ONE OF THE MAIN TARGETS OF CHINA'S DIPLOMACY. CHINA WILL BE VERY SENSITIVE TO ANY POSSIBLE CONTACT BETWEEN TAIWAN AND THE SOVIET UNION. HENCE, CHINA WOULD TAKE REALISTIC AND FLEXIBLE POLICIES TOWARD TAIWAN, AND DOES NOT WANT TOO HASTY WITHDRAWAL OF THE US FORCES ON THE ISLAND.

3. FUTURE PROSPECT OF JAPAN-CHINA RELATIONS

(1) SECURITY ASPECT

(A) FACING THE SOVIET THREAT, CHINA 'UNDERSTANDS' THE POSITIONS OF THE JAPAN-US SECURITY TREATY AND THE STATIONING OF THE US FORCES IN JAPAN AS WELL AS THE LIMITED BUILD-UP OF JAPAN'S CONVENTIONAL MILITARY FORCES. BUT ITS FEAR OF JAPAN'S POTENTIAL MILITARY POWER IS DEEP-ROOTED.

(B) WHEN COMPARED WITH THE SOVIET THREAT, CHINA'S MILITARY THREAT DIRECTED TOWARD JAPAN WILL REMAIN LESS, AND MORE SO AS LONG AS AND TO THE EXTENT THAT THE SINO-SOVIET CONFRONTATION WILL CONTINUE.

(2) POLITICAL ASPECT

(A) CHINA FEELS REASSURED BY THE FACT THAT PRIMIN TANAKA'S VISIT TO MOSCOW DID NOT BRING ABOUT ANY DRAMATIC IMPROVEMENT IN JAPAN-SOVIET RELATIONS. CHINA WOULD CONTINUE TO CHECK CLOSER RELATIONSHIP BETWEEN JAPAN AND THE SOVIET UNION BY WAY OF SUPPORTING THE RETURN OF THE NORTHERN TERRITORIES TO JAPAN, WHILE ENDEAVORING TO EMPHASIZE A FRIENDLY ATMOSPHERE IN JAPAN TOWARD CHINA THROUGH VARIOUS EXCHANGES.

(B) JAPAN WOULD TAKE DIPLOMATIC POLICIES WITHOUT PARTICULAR INCLINATION EITHER TOWARD CHINA OR THE SOVIET UNION, SINCE THE 'CHINA BOOM' IS ALREADY OVER ON THE DOMESTIC SCENE.

(3) ECONOMIC ASPECT

(A) THE TURNOVER OF TRADE IN 1973 IS EXPECTED TO BE OVER 1.9 BILLION DOLLARS, SHOWING A SHARP INCREASE OF OVER 80 PERCENT IN COMPARISON WITH 1.1 BILLION DOLLARS IN 1972. (IT IS PARTLY DUE TO CHANGES IN YEN-DOLLAR VALUES.)

CONFIDENTIAL

PAGE 03 TOKYO 15676 03 OF 05 040837Z

(B) WHILE THE IMPACTS OF PRESENT OIL CRISIS UPON JAPAN'S FUTURE ECONOMY ARE NOT CERTAIN, JAPAN-CHINA TRADE HAS STILL POTENTIALITY FOR FURTHER EXPANSION FOR THE FOLLOWING REASONS:

(I) CHINA REFUSES TO TAKE ANY FOREIGN LOAN, BUT IT ACCEPTS FOREIGN CREDITS ON A DEFERRED PAYMENT BASIS.

(II) SUCH CHINESE EXPORTS TO JAPAN AS TEXTILES AND OTHER LIGHT INDUSTRY PRODUCTS MAY CONTINUE TO INCREASE.

(III) CHINA'S EFFORT FOR INDUSTRIALIZATION WILL REQUIRE MORE IMPORTATION OF PRODUCTION FACILITIES AND MACHINERIES. UNQUOTE.

3. PAPER THREE - ASIAN REGIONAL SECURITY (ASIA EAST OF INDIA)

QUOTE

I. OVERALL SITUATION

1. 'DETENTE' IN ASIA

IT HAS BEEN WIDELY CONTENDED THAT 'THE TREND TOWARDS THE RELAXATION OF TENSIONS' IS ONE OF THE MAJOR CHARACTERISTICS OF THE RECENT OVERALL SITUATION IN ASIA, BUT PARTICULAR ATTENTION SHOULD BE PAID TO THE FOLLOWING:

(1) THERE HAVE CERTAINLY BEEN A NUMBER OF EVENTS ALONG THE TREND TOWARDS DETENTE BETWEEN THE US AND THE USSR AND BETWEEN THE US AND THE PRC IN GLOBAL TERMS. HOWEVER, SOURCES OF LOCAL INSTABILITY HAVE BEEN LEFT LARGELY UNATTENDED, AND SUB-THEATER CONFLICTS HAVE SURFACED IN VARIOUS PARTS OF ASIA: THUS, FAR FROM BEING ABLE TO ASSUME THAT DANGERS HAVE DIS-APPEARED, THE SITUATION IS VERY FLUID IN ASIA.

(2) PRECISELY BECAUSE THE MOVES TOWARDS 'DETENTE' ARE PRIMARILY THE BIG POWER PROPOSITION, ASIAN COUNTRIES FOR THEIR PART HAVE FOUND THESE MOVES EXTREMELY UNPREDICTABLE AND THEREFORE TAXING PSYCHOLOGICALLY; THEY ARE UNDER VERY HEAVY PRESSURE TO ADAPT THEMSELVES TO THE STRUCTURAL CHANGES IN THE INTERNATIONAL ENVIRONMENT IN ASIA. SOME ARE SEEKING ACCOMMODATION WITH ADVERSARIES ON THE EXTERNAL FRONT: INTERNALLY SOME ARE CONFRONTED WITH THE MOVES TO CHALLENGE THE POLITICAL LEGITIMACY OF THEIR GOVERNMENTS.

(3) THE DOMESTIC CONDITIONS OF THEIR POLITICAL, ECONOMIC AND SOCIAL INTEGRITY ARE NOT STABLE IN MOST ASIAN COUNTRIES.

(4) MANY ASIAN LEADERS HAVE BEEN TRYING TO COPE WITH THESE DIFFICULTIES BY TIGHTENING THEIR GRIP OVER THEIR SOCIETY, THEREBY CREATING A STATE OF TENSION AND THUS RENDERING THE CONFIDENTIAL

PAGE 04 TOKYO 15676 03 OF 05 040837Z

STRUCTURE IN THE REGION UNSTABLE FROM A LONG TERM POINT OF VIEW.

(5) THE RECENT OIL CRISIS MAY SERIOUSLY AFFECT THE ALREADY UNSTABLE ECONOMIES OF SOME ASIAN NATIONS OF THE FREE WORLD.

2. CHANGES IN THE LEVEL OF AMERICAN PRESENCE AND MOVES OF OTHER COUNTRIES

(1) THE UNITED STATES IS UNDERSTOOD, UNDER THE SO-CALLED NIXON DOCTRINE, TO FOLLOW THE POLICY OF REDUCING ITS PRESENCE, PARTICULARLY BY REDUCING ITS MILITARY ROLE, IN ASIA. HOWEVER, WHAT IS NOT CLEAR TO ASIAN NATIONS IS WHERE, HOW FAR AND HOW FAST THIS PROCESS OF AMERICAN DISENGAGEMENT WILL TAKE PLACE. GENERALLY, ASIAN NATIONS ARE APPREHENSIVE WHETHER THE US WOULD SCALE DOWN ITS MILITARY PRESENCE UNILATERALLY OR IN STEP WITH THE DEGREE OF INTERNAL AND EXTERNAL STABILITY, AND EQUILIBRIUM ACHIEVED IN EACH AREA.

CONFIDENTIAL

PAGE 01 TOKYO 15676 04 OF 05 040905Z

10

ACTION EA-14

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03 SS-20

USIA-15 ACDA-19 IO-14 AID-20 COME-00 EB-11 FRB-02

TRSE-00 XMB-07 OPIC-12 CIEP-02 LAB-06 SIL-01 OMB-01

CEA-02 STR-08 SAJ-01 INT-08 SCI-06 AGR-20 DRC-01

EUR-25 NIC-01 NEA-10 /269 W

----- 022249

R 040726Z DEC 73

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 8536

C O N F I D E N T I A L SECTION 4 OF 5 TOKYO 15676

(2) IN FEAR OF SOVIET ADVANCES INTO ASIA CHINA APPARENTLY WOULD NOT LIKE TO SEE, AT THE MOMENT AT LEAST, HASTY AMERICAN WITHDRAWAL FROM ASIA. OTHERWISE, CHINA'S POLICY TOWARDS ASIA IS NOT YET QUITE ARTICULATE.

(3) THE SOVIET UNION APPARENTLY INTENDS TO ADVANCE INTO ASIA AS A GLOBAL POWER AND CONTAIN THE CHINESE ROLE THERE. IT ALSO LOOKS FOR A CHANCE OF EXPLOITING ANY VACUUM CREATED BY THE REDUCTION OF AMERICAN MILITARY PRESENCE. IN FACT, THE SOVIET UNION IS STEPPING UP THE DEPLOYMENT OF ITS NAVAL FLEET IN THE INDIAN OCEAN AND IS MAKING OVERTURES TOWARDS ASIAN COUNTRIES OVER A WIDE VARIETY OF ISSUES INCLUDING THE CONCEPT OF AN ASIAN COLLECTIVE SECURITY.

3. MOVES OF ASIAN NATIONS

UNDER THE CIRCUMSTANCES, ASIAN NATIONS OF THE FREE WORLD HAVE BEEN TAKING VERY CAUTIOUS POSITION IN APPRAISING AND IN PREPARING THEMSELVES FOR POSSIBLE MOVES BY THE US AND OTHER POWERS THAT WOULD AFFECT THE STATUS-QUO IN THE REGION. IN PARTICULAR, THEY APPEAR TO BE MORE SENSITIVE TO CHINESE MOVES THAN SOVIET ONES, LARGELY BECAUSE OF INSURGENT GROUPS AND CONFIDENTIAL

PAGE 02 TOKYO 15676 04 OF 05 040905Z

OVERSEAS CHINESE IN THEIR BOUNDARIES.

II. SECURITY IN ASIA; THE CHARACTERISTICS

EFFORTS SHOULD BE MADE FOR THE AVOIDANCE OF HOSTILITIES BY ENSURING A STABLE FRAMEWORK OF POWER RELATIONS IN ASIA. HOWEVER, NOTE SHOULD BE TAKEN OF THE FOLLOWING.

(1) COUNTRY-WISE OR SUB-REGIONAL APPROACH IS REQUIRED FOR MEANINGFUL ASSESSMENT OF SECURITY. UNLIKE EUROPE, ASIA IS LOOSE AND MULTIFARIOUS ENTITY; FOR ONE THING, INTERESTS AND

POWER RELATIONS OF THE BIG POWERS VARY FROM AREA TO AREA IN THE REGION.

(2) ASIAN LACKS CONDITIONS FOR AN ALLIANCE STRUCTURE OR AN INSTITUTIONAL MECHANISM LIKE THAT EXISTING IN EUROPE.

(3) 'THREATS' TO A GOVT IN ASIA ALSO VARY FROM AREA TO AREA; IN MANY CASES THEY ARE INTERNAL. COUNTER-MEASURES AGAINST SUCH THREATS REQUIRE COMPREHENSIVE APPROACH, NOT ONLY MILITARY BUT ECONOMIC, SOCIAL AND PSYCHOLOGICAL POLICIES, WITH CAUTIOUS AND FLEXIBLE TIME-PHASING.

(4) THE RESILIENCE OF ASIAN NATIONS MUST BE INCREASED THROUGH ECONOMIC COOPERATION WITH A VIEW TO CONSOLIDATING THE FOUNDATION OF NATION-BUILDING.

III. ROLES JAPAN CAN PLAY FOR SECURITY IN ASIA

1. JAPAN'S CONTRIBUTION

JAPAN HAS A GREAT CONCERN ABOUT SECURITY IN THE WHOLE OF ASIA, BUT WHAT IT CAN DO IS LIMITED.

(1) WHILE ITS ABILITY FOR MILITARY COOPERATION IS VERY LIMITED, JAPAN CAN MAKE A USEFUL CONTRIBUTION TO SECURITY IN ASIA THROUGH ECONOMIC AND TECHNICAL COOPERATION WITH A VIEW TO INCREASING THE RESILIENCE OF ASIAN COUNTRIES.

(2) ON THE OTHER HAND, THOUGH ASIAN NATIONS HAVE VAGUELY ENTERTAINED EXPECTATIONS OF SOME JAPANESE ROLE IN ASIA AND JAPAN SHOULD MEET THESE EXPECTATIONS, THE INITIATIVES SO FAR TAKEN BY JAPAN HAVE NOT BEEN WELCOMED WITH MUCH ENTHUSIASM BY MANY ASIAN NATIONS.

2. AMERICAN AND JAPANESE PRESENCE IN ASIA

(1) MANY ASIAN COUNTRIES INCLUDING JAPAN EVALUATE THE AMERICAN PRESENCE, PARTICULARLY THE MAINTENANCE OF 'AN ADEQUATE LEVEL OF DETERRENT FORCES' IN THE AREA FOR THEIR SECURITY. JAPAN TAKES THE VIEW THAT JAPANESE AND AMERICAN PRESENCE IN CONFIDENTIAL

PAGE 03 TOKYO 15676 04 OF 05 040905Z

ASIA, MILITARY AND NON-MILITARY, WILL BE IMPORTANT FOR STABILITY IN ASIA AND THAT JAPAN AND THE US NEED TO COORDINATE THEIR ASIAN POLICIES THROUGH A CONTINUOUS DIALOGUE.

(2) THE JAPAN-US SECURITY TREATY IS OBVIOUSLY AN IMPORTANT PILLAR FOR PEACE AND STABILITY IN THE FAR EAST. THE TREATY CAN BE INTERPRETED BY OTHER ASIAN COUNTRIES AS A STABILIZING ELEMENT IN EMBODYING THE CONFIRMATION OF COMMON INTERESTS BY THE US AND JAPAN, WHICH LARGELY CONFORMS WITH THE INTEREST OF THOSE COUNTRIES. CHINA HAS REPORTEDLY EXPRESSED ITS RELUCTANCE TO SEE THE ABROGATION OF THE TREATY. THE SOVIET UNION HAS MUTED THEIR CRITICISMS TOWARDS IT.

3. JAPAN'S POLICY TOWARDS EACH AREA

(1) INDOCHINA

INDOCHINA IS STILL UNSTABLE, INVOLVING COMPLEXLY INTERWOVEN RELATIONS OF THE BIG POWERS, AND WOULD PERMIT NO EASY PRECONCEPTION. IT COULD BECOME A HOTBED OF NEW TENSIONS.

(I) ASSISTANCE FOR THE RECONSTRUCTION OF INDOCHINA

THERE SEEMS TO BE LITTLE LIKELIHOOD OF THE ASSISTANCE OF A MULTILATERAL FORM BEING MATERIALIZED SOON, AND JAPAN, THEREFORE, WILL GIVE ECONOMIC ASSISTANCE TO INDOCHINA ON A BILATERAL BASIS FOR THE TIME BEING.

(II) AN INTERNATIONAL CONFERENCE OF ALL ASIAN AND PACIFIC NATIONS

TIME DOES NOT SEEM RIPE FOR CONVENING 'AN INTERNATIONAL CONFERENCE OF ALL ASIAN AND PACIFIC NATIONS', BUT JAPAN WILL CONTINUE TO 'STUDY THE POSSIBILITY OF HAVING' THE CONFERENCE.

(III) JAPAN TAKES THE VIEW THAT PEACEFUL COEXISTENCE BETWEEN NORTH AND SOUTH VIETNAM WILL LEAD TO STABILITY IN INDOCHINA.

(2) THE KOREAN PENINSULA

(I) THE RELATIONS (AND THE DIALOGUE) BETWEEN NORTH AND SOUTH ARE BASED ON A DELICATE BALANCE OF POWER BETWEEN THE TWO AND THE POWERS SUPPORTING THEM. NO HASTY MOVE WHICH MIGHT DISRUPT THE BALANCE IS DESIRABLE. IN THIS CONNECTION, THE MAINTENANCE OF AMERICAN FORCES IN THE ROK IS OF GREAT IMPORTANCE.

(II) JAPAN INTENDS TO STEP UP ECONOMIC COOPERATION TO THE ROK WITH A VIEW TO PROMOTING ITS ECONOMIC STABILITY AND ENHANCING THE WELL-BEING OF ITS PEOPLE, WHILE WORKING CONFIDENTIAL

PAGE 04 TOKYO 15676 04 OF 05 040905Z

CLOSELY WITH THEM IN THE POLITICAL SPHERE. MEANWHILE, JAPAN DOES NOT CONTEMPLATE RECOGNITION OF NORTH KOREA FOR THE TIME BEING, BUT WILL GRADUALLY ACCUMULATE PERSONAL, CULTURAL, AND OTHER EXCHANGES.

(III) THE JAPANESE GOVT CANNOT PROMOTE FRIENDLY AND COOPERATIVE RELATIONS WITH THE ROK IF THERE EXISTS A SUBSTANTIAL PUBLIC OPPOSITION. IN VIEW OF THE RECENT TREND OF JAPANESE PUBLIC OPINION AS WELL AS THE RECENT POLITICAL SITUATION IN THE ROK, EXPANSION OF VARIOUS EXCHANGES WITH THE NORTH WOULD RATHER HELP TO FOSTER PUBLIC OPINION FAVORABLE FOR FURTHER PROMOTION OF COOPERATION TO THE SOUTH.

(IV) IT WOULD BE APPROPRIATE FOR THOSE COUNTRIES MAINTAINING FRIENDLY TIES WITH THE ROK TO ENCOURAGE RECENT MOVES OF THE ROK TO EXPAND CONTACTS WITH SOCIALIST

CONFIDENTIAL

PAGE 01 TOKYO 15676 05 OF 05 040854Z

10

ACTION EA-14

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03 SS-20

USIA-15 ACDA-19 IO-14 AID-20 COME-00 EB-11 FRB-02

TRSE-00 XMB-07 OPIC-12 CIEP-02 LAB-06 SIL-01 OMB-01

CEA-02 STR-08 SAJ-01 INT-08 SCI-06 AGR-20 DRC-01

EUR-25 NIC-01 /259 W

----- 022202

R 040726Z DEC 73

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 8537

C O N F I D E N T I A L SECTION 5 OF 5 TOKYO 15676

COUNTRIES, AND, AT THE SAME TIME, TO EXPAND THEIR OWN CONTACTS WITH NORTH KOREA, THEREBY CREATING A MOMENTUM FOR INCREASED EXCHANGES IN THE PENINSULA.

(3) THE ASEAN COUNTRIES

(I) THE MINISTERIAL MEETING OF THE ASEAN LAST APRIL DEFINED THEIR CONCEPT OF 'SECURITY' IN THEIR EFFORTS TO GIVE SUBSTANCE TO THEIR IDEA OF 'A ZONE OF PEACE, FREEDOM AND NEUTRALITY' IN SOUTH-EAST ASIA AS FOLLOWS: FIRSTLY, THE STABILITY AND THE SECURITY OF SOUTH-EAST ASIA ARE THE RESPONSIBILITIES OF THE ASEAN COUNTRIES. SECONDLY, THESE RESPONSIBILITIES MUST BE SHARED 'COLLECTIVELY'. THIS INDICATES THAT THEY ARE TRYING TO STRENGTHEN THEIR SUB-REGIONAL COOPERATION, IN ORDER TO CONSOLIDATE THE FOUNDATION OF THEIR OWN SELF-DETERMINATION OR OPTION FREE FROM THE INFLUENCE OF BIG POWERS.

(II) THE NORMALIZATION OF THEIR RELATIONS WITH THE PRC HAS REMAINED PENDING. WHILE PARTIALLY DEPENDING UPON
CONFIDENTIAL

PAGE 02 TOKYO 15676 05 OF 05 040854Z

THE POSITIONS WHICH THE PRC WOULD TAKE, THE ASEAN COUNTRIES CANNOT HELP BUT TO TAKE CAUTIOUS ATTITUDE DUE TO THE EXISTENCE OF THE OVERSEAS CHINESE OR THE SUBVERSIVE ELEMENTS IN THEIR COUNTRIES.

(III) THERE ARE POTENTIALLY VOLATILE INTERNAL ELEMENTS IN THAILAND AND THE PHILIPPINES.

PAYING PARTICULAR RESPECT TO THE SENSITIVE CONSCIOUSNESS OF INDEPENDENCE OR SELF-DETERMINATION OF THE ASEAN COUNTRIES, JAPAN FOR ITS PART WISHES TO FACILITATE THEIR REGIONAL COOPERATION, THROUGH ECONOMIC COOPERATION, WITH A VIEW TO INCREASING THEIR RESILIENCE.

UNQTE.

SHOESMITH

CONFIDENTIAL

<< END OF DOCUMENT >>

Message Attributes

Automatic Decaptioning: X
Capture Date: 10 MAY 1999
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOREIGN RELATIONS, PERSONAL OPINION, PLANNING TALKS, MEETING REPORTS
Control Number: n/a
Copy: SINGLE
Draft Date: 04 DEC 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973TOKYO15676
Document Source: ADS
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: 11652 GDS
Errors: n/a
Film Number: n/a
From: TOKYO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19731257/abqcekyv.tel
Line Count: 759
Locator: TEXT ON-LINE
Office: ACTION EA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 14
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: TOKYO 15640
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 27 SEP 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <27-Sep-2001 by martinml>; APPROVED <19-Dec-2001 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: US-GOJ PLANNING TALKS
TAGS: PFOR, JA, US, (GAIMISHO)
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005